



# House of Representatives

General Assembly

**File No. 149**

February Session, 2016

House Bill No. 5415

*House of Representatives, March 23, 2016*

The Committee on Veterans' Affairs reported through REP. HENNESSY of the 127th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING TRANSPORTATION FOR VETERANS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1      Section 1. (NEW) (*Effective October 1, 2016*) The Labor  
2      Commissioner, in consultation with the Commissioner of  
3      Transportation, shall develop a program through which any veteran  
4      who demonstrates a financial hardship, as determined by said  
5      commissioners, in securing transportation to such veteran's place of  
6      employment may apply to the Labor Commissioner for a voucher to be  
7      used for such purpose on any state-owned or controlled bus public  
8      transportation. Any such voucher, upon issuance by the Labor  
9      Commissioner, shall be valid for ninety days after such issuance. The  
10     Labor Commissioner shall only issue any such voucher to any such  
11     veteran once in a calendar year. Each subsequent issuance of any such  
12     voucher shall require further demonstration of financial hardship.

13     Sec. 2. (NEW) (*Effective October 1, 2016*) The Commissioner of  
14     Veterans' Affairs, in consultation with the Commissioner of  
15     Transportation, shall develop a program through which any veteran

16 who demonstrates a financial hardship, as determined by said  
17 commissioners, in securing transportation to any appointment for  
18 medical care or services may apply to the veterans' advocacy and  
19 assistance unit, as described in section 27-102l of the general statutes,  
20 within the Department of Veterans' Affairs for a voucher to be used for  
21 such purpose on any state-owned or controlled bus public  
22 transportation. Any such voucher, upon issuance by said unit, shall be  
23 valid for one ride to such appointment and one ride from such  
24 appointment only.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section
Sec. 2	<i>October 1, 2016</i>	New section

**VA**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 17 \$</b>	<b>FY 18 \$</b>
Labor Dept.	GF - Cost	Up to 181,922	Up to 239,229
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	Up to 82,661	Up to 110,214
Department of Veterans' Affairs	GF - Cost	Up to 70,027	Up to 91,886
Department of Transportation	TF - Revenue Gain	Up to 43,836	Up to 55,115

Note: GF=General Fund; TF=Transportation Fund

#### **Municipal Impact:** None

#### **Explanation**

The bill establishes programs within the departments of Labor (DOL) and Veterans' Affairs (DVA) to offer certain veterans free rides on state-owned or -controlled public buses. This results in: (1) a General Fund cost of up to \$334,610 in FY 17 and up to \$441,329 in FY 18, and (2) a Special Transportation Fund revenue gain of up to \$43,836 in FY 17 and \$55,115 in FY 18.

**Section 1** requires the Labor Commissioner to develop a program to offer certain veterans a 90-day voucher for free rides on state-owned or -controlled public buses to get to work. Based on United States Census Bureau and federal Department of Veterans Affairs data, it is estimated that there are approximately 7,170 veterans in Connecticut

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 39.94% of payroll in FY 17 and FY 18.

who would be eligible for such a program.<sup>2</sup> Although it is unknown how many veterans would actually utilize the program, it is estimated that program administration could require up to three staff positions (one Program and Service Coordinator, one Business Service Representative, and one clerical worker) within the DOL if all eligible veterans apply. This results in a cost of up to \$320,783 (\$229,229 for salaries and \$91,554 for fringe costs) once the program is fully annualized. Additionally, the program results in an estimated annual cost of up to \$10,000 to the DOL for the cost of free ride vouchers.

**Section 1** also results in an estimated revenue gain of up to \$10,000 to the Department of Transportation (DOT) annually. According to the DOT, total bus ridership in FY 15 was approximately 40 million which yielded total revenue of \$36.1 million. Assuming all 7,170 estimated eligible veterans currently utilize public buses, this would account for approximately 0.02% or \$6,473 of annual public bus revenue. The actual revenue impact is dependent on: (1) the number of program participants, (2) how many of those participants currently ride state-owned or -controlled public buses, and (3) whether the program alters the bus ridership behavior of program participants.

**Section 2** results in a net state cost of up to \$50,186 in FY 17 and \$65,431 in FY 18 due to the requirement that the Department of Veterans' Affairs (DVA) provide a bus pass voucher for one ride to any appointment for medical care or services, and one ride from, for veterans demonstrating "financial hardship."<sup>3</sup> Costs to DVA reflect salary for Processing Technician for part of FY 17<sup>4</sup> (\$35,041), computer and software (\$1,100 - one time), general office supplies (\$50 - ongoing), and bus passes (\$3 roundtrip). These costs are annualized in FY 18. Based on the U.S. Department of Veterans Affairs veteran

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<sup>2</sup> The bill specifies that the program applies to "any veteran who demonstrates a financial hardship" as determined by the Labor Commissioner in consultation with the Commissioner of Transportation. As it is unclear under the bill what standard would ultimately be applied, it is assumed that veterans living below the federal poverty level would be eligible for the purposes of this analysis. To the extent an alternative standard is actually applied, it would alter the analysis accordingly.

<sup>3</sup>It is assumed that this provision is limited to one voucher per veteran, per year.

<sup>4</sup>Bill is effective 10/1/16. Costs in FY 17 reflect nine months of implementation.

poverty rate of 6.9%, there are 15,038 Connecticut veterans (of the total population of 217,947) that may be considered as experiencing financial hardship.<sup>5</sup> Costs to the State Comptroller – Fringe Benefits for the Processing Technician are \$13,995 in FY 17 and \$18,660 in FY 18. Revenue to the Department of Transportation from the bus passes is up to \$33,836 in FY 17 and up to \$45,115 in FY 18. A Processing Technician is needed to verify veteran status, determine financial hardship eligibility, and issue passes.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and fluctuation in program participation levels.

*Sources: Department of Transportation FY 15 State Ridership Statistics  
United States Census Bureau 2015 Veterans Statistics  
United States Department of Veterans Affairs Connecticut State Summary,  
September 2014  
United States Department of Veterans Affairs Veteran Poverty Trends, May 2015*

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<sup>5</sup>DVA currently provides medical appointment transportation to its Veterans' Home and Hospital residents. It is unknown how many of the 15,038 are residents. As of 3/22/16, there are 225 residents at the Veterans' Home and 110 at the Hospital.

**OLR Bill Analysis****HB 5415*****AN ACT CONCERNING TRANSPORTATION FOR VETERANS.*****SUMMARY:**

This bill requires the (1) labor commissioner to develop a program to help veterans who demonstrate financial hardship get up to 90 days of free rides on state-owned or -controlled public buses to get to work and (2) veterans' affairs commissioner to develop a program to help veterans who demonstrate financial hardship get one free ride on a state-owned or -controlled public bus to and from a medical appointment. Both programs must be developed in consultation with the transportation commissioner.

Any veteran who has a problem securing transportation to get to his or her job because of financial hardship, as determined by the labor and transportation commissioners, may apply to the labor commissioner for a voucher to be used on state-owned or -controlled public buses to get to the job. The commissioner may issue one voucher to an applicant in a calendar year, and it is valid for 90 days from the date issued. Any subsequent voucher requires further demonstration of financial hardship.

Any veteran who has a problem securing transportation to get to a medical appointment because of financial hardship, as determined by the veterans affairs and transportation commissioners may apply to the veterans' advocacy and assistance unit, for a voucher to use any state- owned or -controlled public bus to get to the appointment. The voucher is valid for one ride to and one ride from the appointment.

EFFECTIVE DATE: October 1, 2016

**COMMITTEE ACTION**

## Veterans' Affairs Committee

Joint Favorable

Yea 13      Nay 2      (03/08/2016)